



Galway Resources Ltd.

**Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended September 30, 2011**

(Expressed in United States Dollars)

(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR CONDENSED INTERIM CONSOLIDATED FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of Galway Resources Ltd. [the "Company"] are the responsibility of the management and Board of Directors of the Company.

The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements and (ii) the unaudited interim condensed consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed)
Robert Hinchcliffe
President and Chief Executive Officer

(signed)
Carmelo Marrelli
Chief Financial Officer

November 29, 2011
Toronto, Canada

Galway Resources Ltd.
Condensed Interim Consolidated Statement of Financial Position
(Expressed in United States Dollars)
(Unaudited)

	September 30, 2011	December 31, 2010
Assets		
Current assets		
Cash and cash equivalents	\$ 25,706,545	\$ 4,227,743
Restricted cash	159,907	86,781
Accounts receivable	209,212	68,794
Prepaid expenses	250,001	50,514
	26,325,665	4,433,832
Non-current assets		
Equipment (Note 5)	125,343	44,608
Resource property costs (Note 6)	5,958,209	4,054,853
TOTAL ASSETS	\$ 32,409,217	\$ 8,533,293
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	\$ 2,082,272	\$ 1,664,346
Obligation to issue shares	-	35,106
Due to related parties (Note 9)	30,201	9,539
TOTAL LIABILITIES	2,112,473	1,708,991
Shareholders' Equity		
Share capital (Note 8(a))	65,516,029	29,791,705
Reserves	17,212,066	13,130,538
Accumulated deficit	(50,954,427)	(35,891,185)
Accumulated other comprehensive income (loss)	(1,476,924)	(206,756)
Total Shareholders' Equity	30,296,744	6,824,302
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 32,409,217	\$ 8,533,293

Approved by the Board "Robert Hinchcliffe" Director "Robb Doub" Director



The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Galway Resources Ltd.
Condensed Interim Consolidated Income Statements
(Expressed in United States Dollars)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Expenses				
Administrative expenses (Note 10)	\$ 1,604,617	\$ 804,040	\$ 5,191,365	\$ 2,973,262
Exploration costs	4,138,535	2,041,930	9,935,120	4,686,620
Foreign exchange loss (gain)	53,928	(1,793)	143,108	(478,863)
Operating loss	5,797,080	2,844,177	15,269,593	7,181,019
Other				
Finance income	36,030	2,610	206,351	6,151
Net loss	\$ (5,761,050)	\$ (2,841,567)	\$ (15,063,242)	\$ (7,174,868)
Loss per share - basic and diluted	\$ (0.05)	\$ (0.04)	\$ (0.14)	\$ (0.09)
Weighted average number of common shares	113,295,522	80,493,170	109,379,449	78,847,354

Condensed Interim Consolidated Statement of Comprehensive Loss
(Expressed in United States Dollars)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net loss for the period	\$ (5,761,050)	\$ (2,841,567)	\$ (15,063,242)	\$ (7,174,868)
Other comprehensive loss				
Unrealized foreign currency translation	(2,064,550)	312,241	(1,270,168)	93,548
Total comprehensive loss	\$ (7,825,600)	\$ (2,529,326)	\$ (16,333,410)	\$ (7,081,320)



The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Galway Resources Ltd.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in United States Dollars)
(Unaudited)

	Share Capital	Reserves	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
September 30, 2010					
Balance, January 1, 2010	\$ 26,190,909	\$ 11,348,902	\$ (24,659,425)	\$ (633,376)	\$ 12,247,010
Exercise of options	254,337	(122,176)	-	-	132,161
Exercise of warrants	1,857,870	(562,410)	-	-	1,295,460
Agent's warrants issued	(104,718)	104,718	-	-	-
Shares issued for property acquisition	1,196,930	-	-	-	1,196,930
Stock-based compensation	-	1,843,308	-	-	1,843,308
Net loss for the period	-	-	(7,174,868)	-	(7,174,868)
Unrealized foreign currency translation	-	-	-	93,548	93,548
Balance, September 30, 2010	\$ 29,395,328	\$ 12,612,342	\$ (31,834,293)	\$ (539,828)	\$ 9,633,549

	Share Capital	Reserves	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
September 30, 2011					
Balance, January 1, 2011	\$ 29,791,705	\$ 13,130,538	\$ (35,891,185)	\$ (206,756)	\$ 6,824,302
Shares issued for private placements	26,098,427	-	-	-	26,098,427
Share issuance costs - shares	(1,332,751)	-	-	-	(1,332,751)
Proportional allocation of warrants attached to private placements	(4,377,512)	4,377,512	-	-	-
Share issuance costs - warrants	-	(455,882)	-	-	(455,882)
Agent's warrants issued	(1,508,678)	1,508,678	-	-	-
Exercise of options	2,124,860	(1,053,227)	-	-	1,071,633
Exercise of warrants	13,688,410	(4,028,465)	-	-	9,659,945
Shares issued for property (Note 6)	1,031,568	-	-	-	1,031,568
Stock-based compensation	-	3,732,912	-	-	3,732,912
Net loss for the period	-	-	(15,063,242)	-	(15,063,242)
Unrealized foreign currency translation	-	-	-	(1,270,168)	(1,270,168)
Balance, September 30, 2011	\$ 65,516,029	\$ 17,212,066	\$ (50,954,427)	\$ (1,476,924)	\$ 30,296,744



The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Galway Resources Ltd.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in United States Dollars)
(Unaudited)

	Nine Months Ended	
	September 30,	
	2011	2010
Cash flows from operating activities		
Loss before income tax	\$ (15,063,242)	\$ (7,174,868)
Items not affecting cash:		
Depreciation	7,193	8,634
Stock-based compensation	3,732,912	1,843,308
Foreign exchange loss (gain)	143,108	(478,863)
Changes in current assets and liabilities:		
Accounts receivable	(143,081)	(12,723)
Prepaid expenses	(201,076)	47,602
Accounts payable and accrued liabilities	429,640	403,015
Due to related parties	20,662	1,436
Net cash used in operating activities	(11,073,884)	(5,362,459)
Cash flows from investing activities		
Purchase of equipment	(88,288)	(14,352)
Resource property acquisition costs (Note 6)	(935,528)	(1,709,501)
Restricted cash	(73,525)	56,036
Net cash used in investing activities	(1,097,341)	(1,667,817)
Cash flows from financing activities		
Share issuance proceeds, net of financing costs (Note 8(a))	35,041,372	1,427,621
Net cash generated from financing activities	35,041,372	1,427,621
Effect of foreign exchange rate changes on cash balances	(1,391,345)	877,717
Net increase (decrease) in cash and cash equivalents	21,478,802	(4,724,938)
Cash and cash equivalents, beginning of period	4,227,743	11,423,604
Cash and cash equivalents, end of period	\$ 25,706,545	\$ 6,698,666



The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Galway Resources Ltd.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in United States Dollars)
(Unaudited)

	Nine Months Ended	
	September 30,	
	2011	2010
<hr/>		
Cash and cash equivalents consist of:		
Cash	\$ 6,575,734	\$ 6,698,666
Short-term deposits	19,130,811	-
	<hr/>	
	\$ 25,706,545	\$ 6,698,666
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Schedule of non-cash investing and financing activities		
Shares issued for property acquisition (Note 8(a))	\$ 1,029,739	\$ 1,196,930
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Cash paid for income taxes	\$ -	\$ -
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The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Galway Resources Ltd.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
September 30, 2011
(Unaudited)

1. Nature of Operations

Galway Resources Ltd. ("the Company") was incorporated under the Business Corporations Act of British Columbia on August 31, 2004. The Company is a mining exploration company focused on developing its three advanced exploration projects. The Company's head office is located at 360 Bay Street, Suite 500, Toronto, Ontario M5H 2V6.

These unaudited condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. These unaudited condensed consolidated financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

The Company operates in the exploration and development business and has exploration activities in the United States and South America. The Company's income is limited to interest income, and it continues to be dependent upon its ability to finance its development and exploration programs through financing activities that may include issuances of additional debt or equity securities. The underlying value of the resource properties is dependent upon the existence and economic recovery of economic reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to raise long-term financing to complete the development of the properties and upon future profitable production or, alternatively upon the Company's ability to dispose of its interest on an advantageous basis, all of which are uncertain.

The Company's financial year ends on December 31. The unaudited condensed interim consolidated financial statements were approved by the Audit Committee of the Board of Directors on November 29, 2011.

2. Significant Accounting Policies

[a] Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ["IAS 34"]. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the International Accounting Standards Board ["IASB"] and interpretations of the International Financial Reporting Interpretations Committee ["IFRIC"] and should be read in conjunction with the consolidated financial statements of the Company for the year ended December 31, 2010 and the Company's condensed consolidated interim financial statements as at and for the three months ended March 31, 2011.

The accounting policies have been applied consistently to all periods presented in these unaudited condensed interim consolidated financial statements.

These unaudited condensed interim consolidated financial statements have been prepared on the basis of IFRS standards that are expected to be effective or available for early adoption by the Company on December 31, 2011, the Company's first annual reporting date under IFRS. The Company has made certain assumptions about the accounting policies expected to be adopted when the first IFRS annual financial statements are prepared for the year ending December 31, 2011.

Galway Resources Ltd.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
September 30, 2011
(Unaudited)

2. Significant Accounting Policies (Continued)

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's 2010 annual financial statements and in consideration of the IFRS transition disclosures included in note 12 to these financial statements and the additional annual disclosures required under IFRS included in the Company's condensed consolidated interim financial statements as at and for the three months ended March 31, 2011.

[b] New standards

IFRS 7 "Financial instruments - Disclosures" ("IFRS 7")

IFRS 7 was amended by the IASB in October 2010 and provides guidance on identifying transfers of financial assets and continuing involvement in transferred assets for disclosure purposes. The amendments introduce new disclosure requirements for transfers of financial assets including disclosures for financial assets that are not derecognized in their entirety, and for financial assets that are derecognized in their entirety but for which continuing involvement is retained. The amendments to IFRS 7 are effective for annual periods beginning on or after July 1, 2011. The Company is assessing the impact of IFRS 7 on its financial statements.

IFRS 9 Financial instruments ("IFRS 9")

IFRS 9 was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ["IAS 39"]. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013

IFRS 10 Consolidated Financial Statements ("IFRS 10")

IFRS 10 provides a single model to be applied in the control analysis for all investees, including entities that currently are SPEs in the scope of SIC-12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 (2008). The Company intends to adopt IFRS 10 in its financial statements for the annual period beginning on January 1, 2013. The Company is assessing the impact of IFRS 10 on its financial statements.

IFRS 11 Joint Arrangements ("IFRS 11")

IFRS 11 replaces the guidance in IAS 31 Interests in Joint Ventures. Under IFRS 11, joint arrangements are classified as either joint operations or joint ventures. IFRS 11 essentially carves out of previous jointly controlled entities, those arrangements which although structured through a separate vehicle, such separation is ineffective and the parties to the arrangement have rights to the assets and obligations for the liabilities and are accounted for as joint operations in a fashion consistent with jointly controlled assets/operations under IAS 31. In addition, under IFRS 11 joint ventures are stripped of the free choice of equity accounting or proportionate consolidation; these entities must now use the equity method.

Galway Resources Ltd.
Notes to Condensed Interim Consolidated Financial Statements
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2. Significant Accounting Policies (Continued)

[b] New standards (continued)

IFRS 11 Joint Arrangements ("IFRS 11") (continued)

Upon application of IFRS 11, entities which had previously accounted for joint ventures using proportionate consolidation shall collapse the proportionately consolidated net asset value (including any allocation of goodwill) into a single investment balance at the beginning of the earliest period presented. The investment's opening balance is tested for impairment in accordance with IAS 28 and IAS 36 Impairment of Assets. Any impairment losses are recognized as an adjustment to opening retained earnings at the beginning of the earliest period presented. The Company intends to adopt IFRS 11 in its financial statements for the annual period beginning on January 1, 2013. The Company is assessing the impact of IFRS 11 on its financial statements.

IFRS 13, Fair Value Measurement ("IFRS 13")

IFRS 13, Fair Value Measurement was issued by the IASB on May 12, 2011. The new standard converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus will be on an exit price. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The Company is assessing the impact of IFRS 13 on its consolidated financial statements.

IFRIC 20, Stripping costs ("IFRIC 20")

IFRIC 20 Stripping costs in the production phase of a surface mine sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities reporting under IFRS to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body. The Company is assessing the impact of IFRIC 20 on its consolidated financial statements.

Amendments to Other Standards

In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements (IAS 27), and IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

[c] Future accounting changes

The IASB is expected to publish new IFRSs on the following topics during 2011. The Company will assess the impact of these new standards on the Company's operations as they are published:

- Hedge accounting;
- Leases;
- Revenue recognition; and
- Financial instruments

Galway Resources Ltd.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
September 30, 2011
(Unaudited)

3. Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, stock options, reserves, accumulated other comprehensive income (loss) and deficit, which at September 30, 2011 totaled \$30,296,744 (December 31, 2010 - \$6,824,302). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the three and nine months ended September 30, 2011 and September 30, 2010 and year ended December 31, 2010.

The Company is not subject to any externally imposed capital requirements.

4. Property and Financial Risk Factors

(a) Property risk

The Company's significant mineral properties are the Victorio Mountain Project, the California Project, the Vetas Project and the Galca Project (the "Projects"). Unless the Company acquires or develops additional significant properties, the Company will be solely dependent upon the Projects. If no additional mineral properties are acquired by the Company, any adverse development affecting the Projects would have a material adverse effect on the Company's financial condition and results of operations.

(b) Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate, foreign exchange rate, and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Galway Resources Ltd.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
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(Unaudited)

4. Property and Financial Risk Factors (Continued)

(b) Financial risk (Continued)

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, restricted cash and accounts receivable. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents consist of cash at banks and on hand, short-term deposits with an original maturity of three months or less. Restricted cash consists of certificates of deposit for the restoration costs of the resource properties. The cash on hand, guaranteed investment certificates and certificates of deposit have been invested and held with reputable financial institutions, from which management believes the risk of loss to be remote.

Accounts receivable consist of harmonized sales tax due from the Federal Government of Canada, interest and other receivables. Accounts receivable are in good standing as of September 30, 2011. Management believes that the credit risk concentration with respect to accounts receivable is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2011, the Company had cash and cash equivalents and restricted cash balance of \$25,866,452 (December 31, 2010 - \$4,314,524) to settle current liabilities of \$2,112,473 (December 31, 2010 - \$1,708,991). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company's ability to settle long term liabilities when due is dependent upon future liquidity from capital sources or positive cash flows from commercial operations.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(i) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its Canadian chartered banks. The Company regularly monitors its cash management policy.

(ii) Foreign currency risk

The functional currency, as determined by management, of the Company is the Canadian dollar. The functional currency for each of the Company's subsidiaries is as follows: Galway Resources (Colombia) Ltd. - Colombian pesos; Galway US Inc., Nyak Resources Inc., Galway Resources Holdco Ltd. and Galway Resources (Cayman) Ltd. - United States dollars; All amounts in these financial statements are presented in United States dollars ("Presentation currency"). Major purchases are transacted in Canadian dollars, U.S. dollars and Colombian pesos. The Company funds most operations, exploration and administrative expenses in the United States on a cash call basis using the U.S. dollar currency converted from its Canadian dollar bank accounts held in Canada. The Company funds most operations, exploration and administrative expenses in Colombia on a cash call basis using Colombian pesos currency converted from its Canadian dollar bank accounts held in Canada. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

Galway Resources Ltd.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
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(Unaudited)

4. Property and Financial Risk Factors (Continued)

(b) Financial risk (Continued)

Sensitivity analysis

Cash and cash equivalents and accounts receivable are classified for accounting purposes as loans and receivables, which are measured at amortized cost and approximate their fair value. Accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities, which are measured at amortized cost and approximate their fair market value.

The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities and due to related parties that are denominated in Canadian dollars and Colombian pesos. As at September 30, 2011, had the Canadian dollar weakened/strengthened by 5% against the U.S. dollar with all other variables held constant, the Company's other comprehensive income for the period ended September 30, 2011 would have been approximately \$1,168,000 higher/lower as a result of foreign exchange losses/gains on translation of Canadian dollar denominated financial instruments. Similarly, as at September 30, 2011, shareholders' equity would have been approximately \$1,168,000 lower/higher had the Canadian dollar weakened/strengthened by 5% against the U.S. dollar as a result of foreign exchange impact on translation of Canadian dollar denominated financial instruments.

Galway Resources Ltd.
Notes to Condensed Interim Consolidated Financial Statements
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(Unaudited)

5. Equipment

<i>COST</i>	Office equipment	Computer software	Equipment	Total
Balance, January 1, 2010	\$ 49,503	\$ 58,888	\$ 49,911	\$ 158,302
Additions	1,059	1,259	12,592	14,910
Balance, September 30, 2010	\$ 50,562	\$ 60,147	\$ 62,503	\$ 173,212
Additions	1,749	2,080	5,823	9,652
Balance, December 31, 2010	\$ 52,311	\$ 62,227	\$ 68,326	\$ 182,864
Additions	4,549	-	83,352	87,901
Balance, September 30, 2011	\$ 56,860	\$ 62,227	\$ 151,678	\$ 270,765

<i>ACCUMULATED DEPRECIATION</i>	Office equipment	Computer software	Equipment	Total
Balance, January 1, 2010	\$ 31,709	\$ 57,907	\$ 31,075	\$ 120,691
Depreciation for the period	4,848	1,238	4,007	10,093
Balance, September 30, 2010	\$ 36,557	\$ 59,145	\$ 35,082	\$ 130,784
Depreciation for the period	2,684	2,046	2,742	7,472
Balance, December 31, 2010	\$ 39,241	\$ 61,191	\$ 37,824	\$ 138,256
Depreciation for the period	3,607	-	3,559	7,166
Balance, September 30, 2011	\$ 42,848	\$ 61,191	\$ 41,383	\$ 145,422

<i>CARRYING AMOUNT</i>	Office equipment	Computer software	Equipment	Total
Balance, January 1, 2010	\$ 17,794	\$ 981	\$ 18,836	\$ 37,611
Balance, September 30, 2010	\$ 14,005	\$ 1,002	\$ 27,421	\$ 42,428
Balance, December 31, 2010	\$ 13,070	\$ 1,036	\$ 30,502	\$ 44,608
Balance, September 30, 2011	\$ 14,012	\$ 1,036	\$ 110,295	\$ 125,343

Galway Resources Ltd.
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(Unaudited)

6. Resource Property Costs

Cumulative acquisition costs per project under active exploration:

	Victorio Mountain	Carboluis	California-Vetas	Total
Balance, January 1, 2010	\$ 634,085	\$ 40,752	\$ 1,505,321	\$ 2,180,158
Additions	277,346	-	1,432,155	1,709,501
Change due to foreign exchange	-	-	(65,720)	(65,720)
Balance, September 30, 2010	\$ 911,431	\$ 40,752	\$ 2,871,756	\$ 3,823,939
Additions	103,581	-	356,097	459,678
Adjustment to property costs	(275,860)	-	-	(275,860)
Asset impairment	-	(40,752)	-	(40,752)
Change due to foreign exchange	-	-	87,848	87,848
Balance, December 31, 2010	\$ 739,152	\$ -	\$ 3,315,701	\$ 4,054,853
Additions	259,167	-	1,707,929	1,967,096
Change due to foreign exchange	-	-	(63,740)	(63,740)
Balance, September 30, 2011	\$ 998,319	\$ -	\$ 4,959,890	\$ 5,958,209

- i) On a quarterly basis, management of the Company reviews acquisition costs to ensure resource property costs include only costs and projects that are eligible for capitalization.
- ii) For a description of the resource properties owned by the Company refer to Note 6 of the audited consolidated financial statements as at December 31, 2010.
- iii) During the nine month ended September 30, 2011, the Company issued 828,155 common shares, valued at \$1,031,568, to settle share issuance commitments for property acquisitions.
- iv) During the nine month ended September 30, 2011, the TSX Venture Exchange has accepted for filing an amended purchase agreement dated May 28, 2011, whereby a wholly owned subsidiary of Galway Resources Ltd. will acquire a 100-per-cent interest in the Victorio Mountains project in New Mexico. The amendment modifies the consideration payable for the interest, and now consists of \$2.1-million and 200,000 shares.

7. Accounts Payable

	As at September 30, 2011	As at December 31, 2010
Trade payables	\$ 1,924,499	\$ 1,447,583
Accrued liabilities	157,773	216,763
	\$ 2,082,272	\$ 1,664,346



Galway Resources Ltd.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
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(Unaudited)

8. Share Capital

a) Details of share capital:

Nine Months ended September 30, 2010	Number of shares issued	Amount
Authorized		
Unlimited common shares without par value		
Balance, January 1, 2010	77,152,867	\$ 26,190,909
Exercise of stock options	492,500	254,337
Exercise of warrants	1,413,000	1,379,458
Exercise of agent's warrants	560,000	478,412
Share issued for property	1,169,115	1,196,930
Agent's warrants issued	-	(104,718)
Balance, September 30, 2010	80,787,482	\$ 29,395,328

Nine months ended September 30, 2011	Number of shares issued	Amount
Authorized		
Unlimited common shares without par value		
Balance, January 1, 2011	81,720,982	\$ 29,791,705
Share issued for private placements	25,720,000	26,098,427
Share issuance costs	-	(1,332,751)
Proportional allocation of warrants attached to private placements	-	(4,377,512)
Agent's warrants issued	-	(1,508,678)
Exercise of options	1,549,850	2,124,860
Exercise of warrants	12,711,959	13,688,410
Shares issued for property (Note 6(iii))	828,155	1,031,568
Balance, September 30, 2011	122,530,946	\$ 65,516,029



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8. Share Capital (Continued)

a) Details of share capital (Continued)

On January 13, 2011, the Company completed a private placement ("Offering") with a syndicate of Underwriters. Under the Offering, the Company sold 17,720,000 units ("Units") and 8,000,000 common shares (the "Shares") at a price of Cdn\$1.00 per Unit or Share for aggregate gross proceeds to the Company of Cdn\$25,720,000 (US\$26,098,427). Each Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to acquire one common share of the Company for a period of two years from the closing date of the Offering at an exercise price of Cdn\$1.50 per share (the "Exercise Price"). If over a period of 20 consecutive trading days following the date which is 4 months and one day from the closing of the Offering, the daily volume weighted average trading price of the Company's common shares on the TSX Venture Exchange ("Exchange") exceeds the Exercise Price by 25% on each of those days, the Company will have the right to give notice in writing to the holders of Warrants within 30 days of such an occurrence that the Warrants shall expire on the 45th day following the giving of such notice unless exercised by the holders thereof prior to such date.

The fair value attributable to the common shares and warrants was \$21,720,915 and \$4,377,512, respectively.

The Company incurred share issuance costs of \$1,332,751 and issued agent's warrants equal to 6% of the number of Units and Shares (valued at \$1,130,114) sold pursuant to the Offering. Each agent warrant entitles the Underwriters to acquire one Unit comprised of one common share of the Company and one-half of one Warrant until January 13, 2013, at an exercise price of C\$1.00 per Unit.

The common shares and Warrants comprising the Units and the Shares, as well as the common shares issuable upon exercise of the Warrants, are subject to a hold period expired May 15, 2011 in accordance with applicable securities laws and Exchange policies.

The fair value of the common share purchase warrants and compensation options issued were determined using the Black-Scholes pricing model using the following weighted average assumptions:

Risk-free interest rate	1.75%
Expected dividend yield	0%
Expected stock price volatility	132%
Expected life of options	2 years
Forfeiture rate	0%

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8. Share Capital (Continued)

b) Share purchase options

The Company has established a share purchase option plan (the "Plan") whereby the board of directors may, from time to time, grant options to directors, officers, employees, consultants or management company employees. Options granted must be exercised not later than five years from the date of grant or such lesser or greater period as may be determined by the Company's board of directors and in accordance with the policies of the TSX-V. The exercise price of an option must be determined by the board of directors and in accordance with the Plan and the policies of the TSX-V. Subject to the policies of the TSX-V, the board of directors may determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.

A summary of the Company's stock options activity is as follows:

For the Nine months ended September 30, 2010	Stock Options	Weighted Average Exercise Price	
Balance, January 1, 2010	7,092,500	Cdn \$	0.63
Granted	1,650,000		0.75
Exercised	(492,500)		0.39
Cancelled	(685,000)		0.72
Balance, September 30, 2010	7,565,000	Cdn \$	0.67

For the Nine months ended September 30, 2011	Stock Options	Weighted Average Exercise Price	
Balance, January 1, 2011	7,670,500	Cdn \$	0.74
Granted	4,995,000		1.18
Exercised	(1,549,850)		0.68
Cancelled	(200,500)		1.04
Balance, September 30, 2011	10,915,150	Cdn \$	0.94



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8. Share Capital (Continued)

b) Share purchase options (Continued)

As at September 30, 2011, the Company had the following stock options outstanding and exercisable:

Grant Date	Number of Options Exercisable	Weighted Average Number of Options Outstanding	Remaining Contractual Life (years)	Exercise Price	Expiry Date
February 19, 2008	145,000	145,000	0.39	Cdn \$ 0.83	February 19, 2012
August 6, 2008	525,000	525,000	0.85	1.12	August 6, 2012
February 1, 2008	110,000	35,000	1.34	0.50	February 1, 2013
June 30, 2009	885,000	785,000	2.75	0.15	June 30, 2014
October 9, 2009	2,746,250	2,746,250	3.03	0.84	October 9, 2014
July 29, 2010	1,028,750	1,422,500	3.83	0.75	July 29, 2015
August 17, 2010	30,000	40,000	3.88	0.67	August 17, 2015
August 26, 2010	2,500	5,000	3.91	0.71	August 26, 2015
November 9, 2010	50,000	182,500	4.11	0.95	November 9, 2015
December 8, 2010	31,000	240,000	4.19	1.00	December 8, 2015
February 11, 2011	1,283,900	2,733,900	4.37	1.05	February 11, 2016
April 21, 2011	-	365,000	4.56	1.24	April 21, 2016
August 22, 2011	-	550,000	4.90	1.45	August 22, 2016
August 23, 2011	-	1,040,000	4.90	1.37	August 23, 2016
September 29, 2011	-	100,000	5.00	1.07	September 29, 2016
	6,837,400	10,915,150	3.69	Cdn \$ 0.94	

The fair value of options granted was estimated on their grant date using the Black-Scholes option-pricing model with the following weighted average assumptions:

Risk-free interest rate	1.25% - 2.70%
Expected dividend yield	0%
Expected stock price volatility	131.69% - 164.25%
Expected life of options	5 years

The fair value of the options granted during the period ended September 30, 2011 was C\$5,296,067 (September 30, 2010 - C\$1,224,235). The weighted average fair value of these options was C\$1.06 (September 30, 2010 - \$0.74) per share.

Option pricing models require the input of highly subjective assumptions including an estimate of the amount of options expected to be forfeited in the future and the estimate of the share price volatility, which is determined using historical closing prices of the company's stock price. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.



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8. Share Capital (Continued)

c) Share purchase warrants

A summary of the Company's warrants activity is as follows:

For the Nine months ended September 30, 2010	Warrants	Weighted Average Exercise Price
Balance, January 1, 2010	13,680,000	Cdn \$ 0.72
Granted	280,000	0.75
Exercised	(1,973,000)	0.68
Balance, September 30, 2010	11,987,000	Cdn \$ 0.73

For the Nine months ended September 30, 2011	Warrants	Weighted Average Exercise Price
Balance, January 1, 2011	11,829,000	Cdn \$ 0.72
Granted (Note 8(a))(i)(ii)	11,054,680	1.39
Exercised	(12,711,959)	0.74
Balance, September 30, 2011	10,171,721	Cdn \$ 1.44

As at September 30, 2011 the Company had the following warrants outstanding:

Number of Warrants Outstanding	Exercise Price	Expiry Date
1	Cdn \$ 0.75	September 29, 2011
1,311,720	1.00	January 13, 2013
8,860,000	1.50	January 13, 2013
10,171,721	Cdn \$ 1.44	

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8. Share Capital (Continued)

c) Share purchase warrants (Continued)

(i) On April 26th, 2011, 840,000 broker warrants were exercised. Each broker warrant entitles the agents to acquire one unit comprised of one common share and one-half of one common share purchase warrant of the Company for a period of two years from the date of issuance at an exercise price of Cdn \$0.50 per unit. Each whole warrant, upon the exercise of a broker warrant, entitles the holder to acquire one common share of the Company for a period of two years from the date of issuance of the original broker warrant, at a price of Cdn \$0.75 per share. As a result of the exercise of the broker warrants, the Company issued an additional 420,000 broker warrants. These broker warrants were valued at \$265,782 and have been included as a cost of financing.

The fair value of the common share purchase warrants issued were determined using the Black-Scholes pricing model using the following weighted average assumptions:

Risk-free interest rate	1.70%
Expected dividend yield	0%
Expected stock price volatility	66.25%
Expected life of warrants	0.43 years

(ii) On May 18th, 2011, 462,960 broker warrants were exercised. Each broker warrant entitles the agents to acquire one unit comprised of one common share and one-half of one common share purchase warrant of the Company for a period of two years from the date of issuance at an exercise price of Cdn \$1.00 per unit. Each whole warrant, upon the exercise of a broker warrant, entitles the holder to acquire one common share of the Company for a period of two years from the date of issuance of the original broker warrant, at a price of Cdn \$1.50 per share. As a result of the exercise of the broker warrants, the Company issued an additional 231,480 broker warrants. These broker warrants were valued at \$112,782 and have been included as a cost of financing.

The fair value of the common share purchase warrants issued were determined using the Black-Scholes pricing model using the following weighted average assumptions:

Risk-free interest rate	1.66%
Expected dividend yield	0%
Expected stock price volatility	91.99%
Expected life of warrants	1.88 years

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9. Related Party Transactions

(a) Related party transactions are as follows:

During the three and nine months ended September 30, 2011, the Company paid \$16,085 and \$40,889 respectively (three and nine months ended September 30, 2010 - \$7,842 and \$32,645 respectively) to a company controlled by an officer of the Company, for accounting services. As at September 30, 2011, the company controlled by the officer was also owed \$17,837 (December 31, 2010 - \$4,505). During the three and nine months ended September 30, 2011, the Company also paid \$6,122 and \$18,409 respectively (three and nine months ended September 30, 2010 - \$5,713 and \$18,000 respectively) to a company controlled by an officer of the Company, for CFO consulting services. As at September 30, 2011, the company controlled by the officer was also owed \$6,526 (December 31, 2010 - \$2,272).

During the three and nine months ended September 30, 2011, the Company also paid \$4,361 and \$11,151 respectively (three and nine months ended September 30, 2010 - \$5,123 and \$10,392 respectively) for corporate secretarial services to another company where the Chief Financial Officer is an officer. As at September 30, 2011, the company where the Chief Financial Officer is an officer was also owed \$5,838 (December 31, 2010 - \$2,762).

(b) Remuneration of Directors and key management personnel of the Corporation was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Salaries and benefits ⁽¹⁾	\$ 73,559	\$ 30,954	\$ 137,264	\$ 41,645
Share based payments	\$ 694,631	\$ 434,798	\$ 2,148,149	\$ 1,414,130

⁽¹⁾ Salaries and benefits include director fees. The board of directors do not have employment or service contracts with the Corporation. Directors are entitled to director fees and stock options for their services.

10. Administrative expenses

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Stock-based compensation	1,202,441	556,132	3,732,912	1,843,308
Other expenses	250,063	142,277	931,970	738,947
Professional fees	98,812	86,884	410,552	288,201
Travel	27,104	15,434	63,837	78,584
Listing and filing fees	23,722	438	44,901	15,588
Depreciation	2,475	2,875	7,193	8,634
Total	\$ 1,604,617	\$ 804,040	\$ 5,191,365	\$ 2,973,262



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11. Segmented Information

Details are as follows:

September 30, 2011	Canada	USA	South America	Total
Cash and cash equivalents	\$ 24,989,939	\$ 109,417	\$ 607,189	\$ 25,706,545
Resource property cost	-	998,319	4,959,890	5,958,209
Other assets	198,880	167,031	378,552	744,463
	\$ 25,188,819	\$ 1,274,767	\$ 5,945,631	\$ 32,409,217

Nine Months ended September 30, 2011

Segmented operating loss	\$ 4,450,773	\$ 1,137,863	\$ 9,474,606	\$ 15,063,242
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December 31, 2010	Canada	USA	South America	Total
Cash and cash equivalents	\$ 4,164,522	\$ 27,560	\$ 35,661	\$ 4,227,743
Resource property cost	-	739,152	3,315,701	4,054,853
Other assets	113,917	89,471	47,309	250,697
	\$ 4,278,439	\$ 856,183	\$ 3,398,671	\$ 8,533,293

Year ended December 31, 2010

Segmented operating loss	\$ 3,200,462	\$ 1,406,677	\$ 6,583,869	\$ 11,191,008
Asset impairment	-	-	40,752	40,752
	\$ 3,200,462	\$ 1,406,677	\$ 6,624,621	\$ 11,231,760

Nine Months ended September 30, 2010	Canada	USA	South America	Total
Segmented operating loss	2,173,953	823,506	4,177,409	7,174,868

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12. Conversion to IFRS

(i) Overview

As stated in Significant Accounting Policies note 2, the Company's unaudited condensed interim consolidated financial statements are prepared in accordance with IAS 34, using accounting policies consistent with IFRS.

The accounting policies described in note 2 have been applied in preparing the financial statements for the three and nine months ended September 30, 2011 and in preparation of an opening IFRS statement of financial position at January 1, 2010 (the Company's Transition Date) and December 31, 2010.

(ii) First-time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The Company has elected to apply the following optional exemptions in its preparation of an opening IFRS statement of financial position as at January 1, 2010.

- To apply IFRS 2 Share based Payments only to equity instruments that were issued after November 7, 2002 and had not vested by the Transition Date.
- To apply the transition provisions of IFRIC 4 Determining Whether an Arrangement Contains a Lease, therefore determining if arrangements existing at the Transition Date contain a lease based on the circumstances existing at that date. The Company has no leases.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition Date are consistent with those that were made under Canadian GAAP.

The Company's Transition Date IFRS unaudited statement of financial position is included as comparative information in the unaudited statement of financial position in these financial statements.

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12. Conversion to IFRS (continued)

(iii) Changes to accounting policies

The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS.

(a) Impairment of non-financial assets

IFRS requires a write down of assets if the higher of the fair value less costs to sell and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Previously Canadian GAAP require a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets have been changed to reflect these differences. There was no impact on the unaudited condensed interim financial statements.

(b) Decommissioning Liabilities (Asset Retirement Obligations)

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while current Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

The Company's accounting policies related to decommissioning liabilities have been changed to reflect these differences. There is no impact on the unaudited condensed interim financial statements.

(c) Foreign exchange

Under IFRS, translation occurs using the equivalent of the current rate method under Canadian GAAP when translating balances to the Company's presentation currency. Under this method, all assets and liabilities are treated as monetary and translated to the presentation currency using the foreign exchange rate at the end of the reporting period. Differences between the translation of the balance sheet and the statement of operations are accumulated in an account in equity. The change in translation methodology has resulted in changes in the functional currency for the Company's Columbian subsidiary. As a result, income and expenses of this foreign subsidiary are recorded using the rate of exchange in effect at the dates of the transactions and the translation of assets and liabilities are at the rates of exchange in effect at the period end date resulting to currency translation adjustment recognized in the statement of other comprehensive loss.

IFRS also allows Cumulative translation differences (CTA) for all foreign operations to be deemed zero at the date of transition. If this alternative is chosen, the balance is transferred to the Retained Earnings. If this optional exemption is chosen, any gain or loss on a subsequent disposal of any foreign operation shall exclude translation differences that arose before the date of transition, but will include later translation differences. Galway will not elect to apply this exemption.

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12. Conversion to IFRS (continued)

(iii) *Changes to accounting policies (continued)*

(c) Foreign exchange (continued)

Impact on Condensed Interim Statements of Financial Position

	As at September 30, 2010
Adjustment to Resource property costs	\$ (21,360)
Adjustment to accumulated comprehensive loss	\$ (21,360)

(d) Presentation

Certain amounts on the unaudited condensed interim statement of financial position, income statement and comprehensive loss and statement of cash flows have been reclassified to conform to the presentation adopted under IFRS.

(e) Cash flows

The changes in accounting policies resulting from the Company's adoption of IFRS had no impact on the statements of cash flows for the year ended December 31, 2010 and nine months ended September 30, 2010.

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12. Conversion to IFRS (continued)

(iv) *Reconciliation between IFRS and Canadian GAAP*

The September 30, 2010 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

	September 30, 2010			
	Canadian GAAP	IFRS adjustments	IFRS reclassifications	IFRS
Assets				
Current assets				
Cash and cash equivalents	\$ 6,698,666	\$ -	\$ -	\$ 6,698,666
Restricted cash	94,327	-	-	94,327
Accounts receivable	44,899	-	-	44,899
Prepaid expenses	14,744	-	-	14,744
	6,852,636	-	-	6,852,636
Equipment	42,428	-	-	42,428
Resource property costs (Note 12(iii)(c))	3,845,299	(21,360)	-	3,823,939
	\$ 10,740,363	\$ (21,360)	\$ -	\$ 10,719,003
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	\$ 1,052,521	\$ -	\$ -	\$ 1,052,521
Obligation to issue shares	32,933	-	-	32,933
	1,085,454	-	-	1,085,454
Shareholders' equity				
Share capital	29,395,328	-	-	29,395,328
Contributed surplus	12,612,342	-	(12,612,342)	-
Reserves	-	-	12,612,342	12,612,342
Deficit	(31,834,293)	-	-	(31,834,293)
Accumulated other comprehensive loss (Note 12(iii)(c))	(518,468)	(21,360)	-	(539,828)
	(32,352,761)	(21,360)	-	(32,374,121)
	9,654,909	(21,360)	-	9,633,549
	\$ 10,740,363	\$ (21,360)	\$ -	\$ 10,719,003

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12. Conversion to IFRS (continued)

(iv) *Reconciliation between IFRS and Canadian GAAP (continued)*

The three months ended September 30, 2010 Canadian GAAP statement of loss and comprehensive loss has been reconciled to IFRS as follows:

	Canadian GAAP	IFRS adjustments	IFRS reclassifications	IFRS
EXPENSES:				
Exploration costs	\$ 2,041,930	\$ -	\$ -	\$ 2,041,930
General and administrative expenses (Note 12(iii)(d))	142,277	-	(142,277)	-
Listing and filing fees (Note 12(iii)(d))	438	-	(438)	-
Professional fees (Note 12(iii)(d))	86,884	-	(86,884)	-
Stock-based compensation (Note 12(iii)(d))	556,132	-	(556,132)	-
Travel (Note 12(iii)(d))	15,434	-	(15,434)	-
Depreciation	2,875	-	(2,875)	-
Administrative expenses (Note 12(iii)(d))	-	-	804,040	804,040
Foreign exchange gain	(1,793)	-	-	(1,793)
	(2,844,177)	-	-	(2,844,177)
Other				
Finance income	2,610	-	-	2,610
NET LOSS	\$ (2,841,567)	\$ -	\$ -	\$ (2,841,567)

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12. Conversion to IFRS (continued)

(iv) *Reconciliation between IFRS and Canadian GAAP (continued)*

The nine months ended September 30, 2010 Canadian GAAP statement of loss and comprehensive loss has been reconciled to IFRS as follows:

	Canadian GAAP	IFRS adjustments	IFRS reclassifications	IFRS
EXPENSES:				
Exploration costs	\$ 4,686,620	\$ -	\$ -	\$ 4,686,620
General and administrative expenses (Note 12(iii)(d))	738,947	-	(738,947)	-
Listing and filing fees (Note 12(iii)(d))	15,588	-	(15,588)	-
Professional fees (Note 12(iii)(d))	288,201	-	(288,201)	-
Stock-based compensation (Note 12(iii)(d))	1,843,308	-	(1,843,308)	-
Travel (Note 12(iii)(d))	78,584	-	(78,584)	-
Depreciation	8,634	-	(8,634)	-
Administrative expenses (Note 12(iii)(d))	-	-	2,973,262	2,973,262
Foreign exchange gain	(478,863)	-	-	(478,863)
	(7,181,019)	-	-	(7,181,019)
Other				
Finance income	6,151	-	-	6,151
NET LOSS	\$ (7,174,868)	\$ -	\$ -	\$ (7,174,868)

The following provides reconciliations of the comprehensive loss from Canadian GAAP to IFRS for the respective periods:

	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2010
Comprehensive loss under Canadian GAAP	\$ (2,618,563)	\$ (7,015,600)
Adjustments for differing accounting treatments (Note 12(iii)(c))	89,237	(65,720)
Comprehensive loss under IFRS	\$ (2,529,326)	\$ (7,081,320)